



Region III Report

News from around the Region

July – September 2005

U.S. Small Business Administration
Region III, Philadelphia, Pa.

Serving Delaware, Maryland,
Pennsylvania, Virginia, West Virginia and
Washington, D.C.

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For More Information

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk: 1-800 U ASK SBA
- Fax: (202) 205-7064
- E-mail: answerdesk@sba.gov
- TDD: (704) 344-6640
- Your rights to regulatory fairness: 1-(800) REG-FAIR
- SBA Home Page: www.sba.gov

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In the Aftermath

Administrator Hector V. Barreto (Center) and Region IV Administrator Jo Montes speaking with an SBA disaster assistance applicant about the types of programs the SBA offers in the aftermath of a disaster such as Hurricane Katrina and Rita.

From the desk of the Regional Administrator

Preparing for disaster now, tomorrow may be too late

Stephanie A. Watkins
Regional Administrator

My intention was to use this space to extol the Fiscal Year 2005 accomplishments and challenges in Region III. We made great improvements in every area; however, I believe there is a more important message to convey at this tragic time.

Hurricanes Katrina and Rita have etched their names forever in our memory. The devastation they wreaked on the Gulf-Coast communities is unparalleled in U.S. history.



Stephanie A. Watkins

The Federal Emergency Management Administration, the U.S. Small Business Administration, the Department of Defense and a host of others, public and

private entities alike, are pooling resources to help the people who suffered losses recover their lives as quickly as possible.

Our view of the damaged lives and property is from the comfort of our homes; can we honestly say we know what they are going through? No.

Sadly, we have a chance to learn from their misfortune. Will you be ready when a disaster strikes? Will you take the time to prepare now? As we all know, the best time to respond to a disaster is before it happens.

You most likely know already that one of the SBA's basic responsibilities is to help people recover from disasters and rebuild their lives by providing affordable, timely and accessible financial assistance to homeowners, renters and businesses.

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Preparing for disaster

A relatively small investment of time and money now may prevent severe damage and disruption of life and business in the future. Every area in the country is subject to some kind of disaster.

Even man-made disasters – oil spill, civil unrest, fire, etc. – can devastate the surrounding neighborhood and economy. While an area may never have been affected, there is no guarantee that it will not happen tomorrow.

Be a little pessimistic now, and assume it can happen to you. Develop an Emergency Plan for your home or business now. You can rest a little easier knowing that you are prepared.

You can get detailed disaster planning information from the SBA's website,

http://www.sba.gov/disaster_recov/prepared/getready.html

Award nominations for Small Business Week sought

Philadelphia, Pa. – Small Business Week 2006 award nominations are now sought by the U.S. Small Business Administration district offices across the country.

Outstanding small business owners and those who champion their success compete for recognition in the following categories; *Small Business Person of the Year, Young Entrepreneur, Small Business Exporter of the Year, Family-Owned Business of the Year, Women in Business Champion of the Year, Veteran Small Business Champion of the Year, Minority Small Business Champion of the Year, Financial Services Champion of the Year, Small Business Journalist of the year, and Home-Based Business Champion of the year.*

Your servicing district must receive nominations by Nov. 11. More details, nomination guidelines and required forms are available online at <http://www.sba.gov/nominationsguideline.html>.

Small businesses get EPA assistance with new paperwork reduction

By Bob Judge, Regional Advocate

Office of Advocacy, U.S. Small Business Administration

A revealing new government report published by the Office of Advocacy of the U.S. Small Business Administration shows America's smallest firms bear the largest burden of federal regulatory compliance costs. Firms with fewer than 20 employees annually spend \$7,647 per employee to comply with federal regulations, compared with the \$5,282 spent by firms with 500 or more employees. In fact, businesses with fewer than 20 employees are annually spending 45 percent more per employee to comply with federal regulations as large firms with 500 or more employees.

A large part of this disproportionate cost is in the form of government paperwork.

These costs hurt the development and growth of small business firms. In addition, since small businesses create 60 to 80 percent of the country's net new jobs, more attention should be focused on removing unnecessary paperwork burdens.

The government report reveals that environmental compliance requirements make up over half of the regulatory burden for manufacturers, and the U.S. Environmental Protection Agency is getting the message. EPA is proposing to streamline the requirement faced by businesses to file annual reports on their use and management of chemicals.

EPA's announcement to provide Toxics Release Inventory (TRI) paperwork relief is welcome news for small business. Fortunately, the paperwork relief does not come at the expense of environmental safety, or make it harder for communities to find out when a dangerous release of toxic substances has occurred. In fact, the TRI program requires reports on the use and management of chemicals. When there is a spill, accident, or accidental release, companies are required to notify the authorities under various laws that are working to ensure the safety of first responders and communities.

EPA is proposing that a simpler form (known as the Form A) be available for facilities that report handling small amounts of chemicals. With this approach, akin to the 1040-EZ short form for taxes, businesses will save an estimated 165,000 hours that would otherwise be spent filling out the longer form. EPA's paperwork reduction idea is the result of meetings with stakeholders, including small businesses, for over two years.

EPA's proposal illustrates a basic principle of good government: when small businesses have a seat at the table better regulations emerge – regulations that accomplish the goal of environmental protection, and at the same time, recognize the disproportionate impact regulations have on small businesses. Small business owners curious about the EPA's proposal and want to share their views on how to improve it can find information at www.epa.gov/tri.



Robert (Bob) Judge
Regional Advocate

Best ever year for lending in Region III

The SBA's financial backing to small business owners during FY 2005 in Region III exceeds the previous year's best by 8.4 percent in volume and by 20 percent in dollars.

FY 2005 9,377 FY 2004 8,652
\$1.4 billion \$1.2 billion

"I am extremely pleased about the tremendous effort everyone put forth to make this remarkable achievement a reality. Each year, we start out with a plan to do great things to assist small business owners; you have done it . . . again. The counseling, training, evenings and weekend events you've done along with our resource partners, each lender doing their part – every piece was vital to the outcome. Congratulations! It is an honor to serve the American people along with you.

*Stephanie A. Watkins,
Administrator, Region III*

Umberger is named acting DD in Philadelphia

Philadelphia, Pa. – Stephen D. Umberger is now acting district director of the U.S. Small Business Administration's Philadelphia District Office effective immediately. Umberger, who will oversee delivery of the agency's programs and services in Eastern Pennsylvania, received the appointment following the retirement of Tom Tolan from the position.

Umberger, a 23-year veteran of the SBA, comes to Pennsylvania from the SBA Office of Field Operations in Washington, D.C. There he managed the Agency's national internal control and quality assurance program. He also served as liaison between the SBA's headquarters offices of Government Contracting and Business Development, General Counsel and Inspector General, and the regional and district offices across the country.

Prior to joining the SBA headquarters staff, he worked in the Cleveland district office holding positions in loan underwriting, servicing, workout and liquidation.

Umberger is a graduate of Villanova University, School of Commerce and Finance, where he earned a Bachelor of Science degree in Finance.

"I am very pleased that Steve is now a part of the Region III management team," said Stephanie Watkins, regional administrator, Region III. "It is very important that we have strong leadership and experience heading one of the nation's largest small business markets"

The Philadelphia District Office services 40 counties and a business community of approximately 630,000 small businesses.



Stephen D. Umberger
Acting District Director,
Philadelphia District

Ceremonies highlight successful mid-Atlantic minority entrepreneurs

Philadelphia, Pa. – MED Week, proclaimed by the President since 1983, recognizes minority small business excellence and honors those who support minority business development.

Ceremonies throughout Region III honored outstanding minority small business owners who excelled in their industry.

National Minority Enterprise Development (MED) Week is an annual celebration in recognition of the contributions made by minority businesses to the Nation's economic growth. This year earmarks the 23rd celebration.

The theme for National MED Week, celebrated September 11 through 19, is, *The Art of the Deal: Making it Happen*.

"I have attended many of the award ceremonies because minority enterprise development is a key initiative for the SBA, said Regional Administrator Stephanie Watkins." It is important to note that the U.S. Census Bureau tells us that minority businesses are growing at a significantly faster rate than non-minority owned firms."

MED Week 2005 Honorees

Delaware District

Minority Small Business Person of the Year

Carl Flythe II, president, FAB Maintenance, Inc.

Baltimore District

Minority Small Business Person of the Year

David S. and Sae Ho Pak, USMax Corp.

Philadelphia District

Minority Small Business Person of the Year

Craig T. Williams, President, Pride Enterprises, Inc (PEI)

8(a) Graduate of the Year

Laura Schriver, President, Language Services Associates, Inc.

Pittsburgh District

Minority Small Business Person of the Year

Peter Cooper, President, Cooper Trading, Inc.

Richmond District

Minority Small Business Person of the Year

Debra Ruh, President, TecAccess

Washington Metropolitan Area District

Minority Small Business Person of the Year

Cecilia Seman, CEO, Machine Technologies, Inc.

8(a) Graduate of the Year

Dr. Marie Hankerson, President,
Systems Assessments & Research Inc.

West Virginia District

Minority Small Business Person of the Year

Zenaida Cunanan, President, Galaxy Global Corp.

8(a) Graduate of the Year

Kenneth Jackson, President, K-Ray, Inc.

Region III honors minority small business owners

Three businesses owned by African Americans garnered Minority Enterprise Development Week awards in the SBA's Region III.

Dr. Maria J. Hankerson, President Systems Assessment & Research, Inc.

Dr. Maria J. Hankerson, Ph.D. received Region III and national honors as the 8(a) Business Development Program 2005 Graduate of the Year. The recognition notes the exemplary success of Systems Assessment & Research, Inc., Lanham, Md., under her leadership.

The company, with its research and evaluation and medical staffing and management services, continued to win contracts with federal agencies after completing the SBA's 9-year business development program.

Craig T. Williams, President Pride Enterprises, Inc (PEI)

Craig T. Williams is the co-winner of the SBA's 2005 Minority Small Business Person of the Year award winner for Eastern Pennsylvania.

Incorporated in 1996, Pride Enterprises, Inc., Norristown, Pa., specializes in general construction, construction management, and design/build services for industrial and commercial construction operations. The firm is currently performing projects for the U.S. Departments of Defense, the Interior, Veteran Affairs and the General Service Administration.

Debra Ruh, Founder & President TecAccess, LLC

Debra Ruh, is the co-winner of the SBA's 2005 Minority Small Business Person of the Year award winner for Eastern Pennsylvania.

TecAccess, LLC, founded in 2001, specializes in IT Accessibility and Section 508 compliance solutions. Their services include IT Accessible Testing and Assessment, Training, Engineering, Policy Review and Consulting.

Employing mostly people with disabilities, TecAccess is uniquely qualified to undertake the challenge of developing creative solutions.

Minority, women business owners sweep national economic development awards

Washington, D.C. – Three women-owned, minority-owned businesses and a Department of Navy official swept the top award categories and received honors from the U.S. Small Business Administration (SBA) for their superior business achievements and outstanding commitment to federal procurement during the 23rd National Minority Enterprise Development (MED) Week celebration in Washington, D.C. today.

"These four phenomenal women are prime examples of why the number of women and minority-owned businesses is growing faster than any other sector in the nation," SBA Administrator Hector V. Barreto said. "They are employers, they create job growth and they are professionals and visionaries who contribute significantly to our nation's economy. Today it is my pleasure to recognize these outstanding women for their entrepreneurial achievements and tremendous contributions to the nation's economy."



Dr. Maria J. Hankerson

The winner of the National 8(a) (Business Development Program) Minority Small Business of the Year Award is Lori Nevarez, president of Innovar Environmental of Littleton, Colo. Region III's Dr. Maria J. Hankerson, president of Systems Assessment & Research, Inc. of Lanham, Md., and Claudia F. Fabela, president of TDF Corporation of Rock Island, Ill., are the recipients of the 8(a) Graduate of the Year Award.

Ann Howell, deputy small and disadvantaged business specialist for the Space and Naval Warfare Systems Center in Charleston, S.C., is the winner of the Administrator's Leadership Award. The Administrator's Leadership Award recognizes the recipient for her tireless efforts and unwavering commitment on behalf of the nation's minority small business community.

Three of the four top award recipients were participants in the SBA's 8(a) Program – a business development program that provides management and technical assistance, networking and federal contracting opportunities to socially and economically disadvantaged businesses.

The awards were part of this week's MED Week Conference in Washington, D.C. The SBA's Office of Government Contracting and Business Development took part in the event with the Department of Commerce's Minority Business Development Agency.

For more information, contact the MED Week 2005 office at 1-877-MEDWEEK or visit the Web site at www.medweek.gov or the SBA's Web page at <http://www.sba.gov/medweek2005/index.html>.

People on the Move

Delaware District Office

Kai Brunswick, business development specialist, retired after 25 years of service.

Richmond District Office

Lucy Gardiner Davis, assistant district counsel, 7-1/2 years of service.

West Virginia District Office

Randi Nuzum, business development specialist retired as of Sept. 30. She had 16 years of service with the SBA and another 5 with the draft board.

Pittsburgh District office

Donald Nemchick, public affairs officer, retired in September.

Washington Metropolitan Area District Office

Roxanne Mosely-Hayes, business development specialist, 25 years; **Lily Hearn-Coates**, administrative officer, 27 years; **Barbara J. Dixon**, information clerk/receptionist, 34 years, and; **Anna C. Garris**, program support assistant, lender relations, 38 years.

Maryland District Office

Voluntary separation; **Shuraie Mackin**, business development specialist, 22 years of service with the SBA; **Stanley Karwacki**, business development specialist /veterans affairs officer, 30 years of service with the SBA; **Raul Altoja**, loan processing assistant, 34 years federal service.

Philadelphia District Office

Five people left the Philadelphia district office during the fourth quarter of FY 2005.

Cynthia Rattliff, loan processing clerk, 30 years; **Jackie Moore**, receptionist, 33 years; **Nadine Prater**, legal secretary, 32 years; **Jean Anderson**, district director's secretary, 17 years; **Bonnie Gerhard**, Program Assistant Harrisburgh Branch Office, 33 years and; **Thomas Tolan**, district director, 36 years.



Pictured with Regional Administrator Stephanie A. Watkins is West Virginia's Ken Jackson, owner of K-Ray Security in Morgantown. Jackson is the West Virginia District's 2005 8(a) Business Development Program Graduate of the Year. Presented annually during Minority Economic Development week celebrations, the award goes to minority small business owners who exemplify small business success. A graduate of the SBA's 9-year business development program, he has gained a foothold in the security and janitorial industry in West Virginia.

Minority business growth tops national average

WASHINGTON, D.C. – The U.S. Census Bureau yesterday released preliminary estimates from its 2002 Survey of Business Owners, indicating that minority groups and women are increasing business ownership at a much faster rate than the national average. Overwhelming increases in minority business ownership parallel the demand for SBA loan products in these communities.

The SBA's flagship 7(a) loan program has registered sharp increases in loans to women and minority-owned businesses during the first three quarters of FY 2005. Loans to minorities have increased by 27 percent, compared to the same period in FY 2004, and loans to women have shown an increase of almost 50 percent, followed closely by loans to African-American business owners, which are up 46 percent. SBA loans to start-up companies have increased by 76 percent over last year.

"These newly released census estimates and our own loan figures validate what I see in the communities I've visited all across the country," said SBA Administrator Hector V. Barreto. "Minority and women entrepreneurs are leading the way in business growth and are making important contributions to our nation's economic strength. This impressive growth in business ownership, and the clear-cut benefits that result from it, is what President Bush refers to when he talks about the ownership society."

The U.S. Census Bureau's press release is located at http://www.census.gov/Press-Release/www/releases/archives/business_ownership/005477.html.

For more information about the financial assistance programs, visit <http://www.sba.gov/financing/index.html>.

SBA, local UL team up to help entrepreneurs

Peggy Fajohn

Public Information Officer

Richmond, Va. – A Strategic Alliance Memorandum (SAM), penned on Sept. 22, joins the resources of SBA's Richmond District and the Urban League of Hampton Roads to offer financial and educational opportunities entrepreneurs in the surrounding area.

Workshops presenting information about managing credit, access to capital, business plan preparation and government contracting are available monthly.

"This is a great partnership," said Ron Bew, director of the SBA's Richmond Office. "Together we can help more entrepreneurs start and grow strong business."

The Urban League of Hampton Roads has approximately 200 members and reaches approximately 25,000 people annually with programs for housing, education, health and employment.

"Statewide, we have a long way to go to bring minority business ownership up to a respectable level," said Edith G. White, president and chief executive officer of The Urban League of Hampton Roads. "As large businesses are downsizing, talented individuals are moving out of the work force and creating an ideal environment for business ownership, perhaps the best kind of job security."



Ron Bew (right), director of the SBA's Richmond Office and Edith G. White, president and chief executive officer of The Urban League of Hampton Roads.

SBA relaxes some disaster loan requirements

WASHINGTON, D.C. – Responding to the issues faced by business owners who lost important documents in the aftermath of Hurricanes Katrina and Rita, the U.S. Small Business Administration recently announced that it will relax some of its disaster loan filing requirements to expedite the processing of these loans.

For instance, the agency will now waive the usual requirement of the submission of tax returns from the last three years. Business owners will also now be able to file a disaster loan application without providing a monthly sales analysis for the last three years.

To fill in the gaps for the missing information, the SBA will, in the case of the missing tax documents, access income tax transcripts from the IRS to verify the applicant's income. Help with the disaster loan application is also available at the Small Business Development Centers. Addresses for the DRCs and the SBDCs can be found at the Web site (www.sba.gov).

In addition, the title or record search previously required before all loan disbursements above \$25,000 will now only be required for loans exceeding \$50,000.

"Relaxing some of the loan processing criteria will ease the approval process, allowing business owners to rebuild more quickly and lay the foundation for the revival of the region's economy," said SBA Administrator Hector V. Barreto.

In response to the devastation caused by Hurricanes Katrina and Rita, the SBA has hired more than 2,300 loan officers, damage inspectors, loan closers and customer service staffers. The employees are working 12 to 14 hours seven days a week in 103 Disaster Recovery Centers located in the Gulf States, and in the agency's loan processing center, customer service center, and disaster field offices in Atlanta and Sacramento.

In addition, the establishment of loan closing centers in Louisiana, Alabama and Mississippi will expedite loan closings and disbursements.

Homeowners, renters and businesses in the areas affected by Hurricanes Katrina and Rita are encouraged to apply for federal assistance by registering online with FEMA at www.fema.gov, or by calling 1-800-621-FEMA (3362), or 1-800-462-7585 (TTY) for the hearing and speech impaired. The toll-free numbers will operate 24 hours daily until further notice.

The SBA offers loans of up to \$200,000 to repair disaster damaged primary residences. Homeowners and renters are eligible for loans up to \$40,000 to replace personal property such as furniture and clothing. Loans to businesses of all sizes and non-profit organizations are available up to \$1.5 million to repair damage to real estate, machinery, equipment and inventory. Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million are also available to small businesses unable to pay bills or meet operating expenses.

Interest rates can be as low as 2.68 percent for homeowners and renters and 4 percent for businesses with terms up to 30 years. Loan amounts and terms are set by SBA and are based upon each applicant's financial condition.

For more information on SBA's disaster loan program, call the SBA's customer service center at 1-800-659-2955 daily from 6:00 a.m. to 1:00 a.m., email questions to disastercustomerservice@sba.gov, or visit the Web site at www.sba.gov/disaster.

